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### **Rhode Island sets Shenkman adrift for performance**

PROVIDENCE, R.I. — Employees' Retirement System of Rhode Island terminated Shenkman Capital Management, which ran \$135 million in high-yield bonds, for underperformance, said Peter Kerwin, spokesman for state Treasurer Frank Caprio, who oversees the \$7.9 billion system.

Shenkman consistently failed to meet Rhode Island's performance requirements since the firm was hired in mid-2002, according to a news release from Mr. Caprio's office.

In the release, Mr. Caprio said the termination was in line with a campaign promise he made to conduct a "top-to-bottom analysis of the management of the state pension fund" and — with the fund's high-yield allocation falling to 7.5% from 15% of its fixed-income portfolio — gives Rhode Island the opportunity to proactively limit its exposure to "this particular high-risk asset class." A decision on where to allocate the \$135 million will be made after the review of the pension fund is completed, according to the news release.

An official at Shenkman who declined to be identified said no one at the firm would comment.